

2009 DRAFTING REQUEST

Bill

Received: **12/23/2008**

Received By: **rchampag**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Palchik**

This file may be shown to any legislator: **NO**

Drafter: **rchampag**

May Contact:

Addl. Drafters: **rryan**

Subject: **Employ Pub - miscellaneous**
Health - miscellaneous

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Palchik, BB0312 -

Topic:

Transfer BadgerRx Gold Program to DHS

Instructions:

See attached.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			State
/1	rchampag 12/23/2008 rryan 12/26/2008	bkraft 12/23/2008 jdyer 01/06/2009	mduchek 01/06/2009	_____	sbasford 01/06/2009		State
/2	rchampag 01/12/2009	jdyer 01/12/2009	rschluet 01/12/2009	_____	lparisi 01/12/2009		State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/3	rryan 01/25/2009	kfollett 01/25/2009	mduchek 01/25/2009		chanaman 01/25/2009		State
/4	rryan 01/30/2009	kfollett 01/30/2009	mduchek 01/30/2009		cduerst 01/30/2009		

FE Sent For:

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1/15/09
1/30

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1/30

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/2	rchampag 01/12/2009	jdye 01/12/2009	rschluet 01/12/2009		lparisi 01/12/2009		

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1/28

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/?	rchampag	1/6 jld	MD	MD RA			
			1/6				

FE Sent For:

<END>

2009-11 Budget Bill Statutory Language Drafting Request

- Topic: Transfer of the BadgerRx Gold Program
- Tracking Code: BB0312
- SBO team: Health and Insurance
- SBO analyst: Laurie Palchik
 - Phone: 266-2214
 - Email: laurie.palchik@wisconsin.gov
- Agency acronym: DHS
- Agency number: 435
- Priority (Low, Medium, High): High

Intent: See attached statutory language paper.

Transfer of the BadgerRX Gold Program

Decision Needed

Should the current BadgerRX program be transferred from the Department of Employment Trust Funds (ETF) to the Department of Health (DHS)?

Background

EFT currently operates the BadgerRX Gold pharmacy program, utilizing Navitus as the third party administrator.

Participants of the BadgerRX Gold are able to purchase certain brand-name drugs at reduced prices. There are no income or asset restrictions for participation in the program. Participants do have to pay an enrollment fee of \$25 (\$75 for a family).

A large part of the drug discount is funded by manufacturers' rebates that are paid to ETF. Although there is a lag in collecting rebates, participants of the program are able to receive the full discount since ETF uses a GPR sum sufficient appropriation to support the discount until the rebate is received. The current outstanding balance of this appropriation is approximately \$91,000.

EFT has applied a surcharge in order to accumulate funding in order to eliminate the need to use any GPR funding to fund discounts before the rebate is received. The current balance of the surcharges is approximately \$120,000. EFT plans to run this balance down to zero by covering the advances made in the GPR appropriation before the program is transferred.

Navitus does most of the administrative work related to this program, including maintaining a website for the program (www.badgerrxgold.com), receiving and processing applications, issuing a pharmacy card, contracting with pharmacies and processing pharmacy claims.

ETF's main administrative task is simply to provide the anticipated rebate to the third party administrator and provide general oversight for the program. In the past, EFT has recorded administrative costs of only approximately \$20,000.

In the first year of the program, the rebate discount was approximately \$188,300, but has fallen to approximately \$40,000 in SFY 2008.

ETF is interested in transferring the BadgerCareRX Gold Program to DHS. The division of Health Care Access and Accountability (HCAA) at DHS is willing to operate the program, but prefers that

the program be transferred in the second year of the biennium (January 1, 2011 or at the earliest July 1, 2010) since HCAA has a number of new programs to implement at the beginning of 2009-11.

Appropriation language for several DHS appropriations would need to be modified to allow the Department to pay the discount in advance of rebate collections as well as receiving the rebate collections and utilizing part of the collections for administrative costs.

Appropriation language at ETF would not need any modification since ETF had existing appropriation with general authority that could support the needs of the BadgerCareRX Gold program.

Current Language

S. 40.53 of the statutes provides ETF general authority to develop and operate a purchasing pool for pharmacy benefits that uses a preferred list of covered prescription drugs.

Proposed Change

Renumber s. 40.53 to s. 146.45 and amend it to remove the references to the "group insurance board" and substitute the "Department of Health" as the entity responsible for operating the BadgerRx Gold Program.

RLR → In addition, amend s. 20.435(4)(jw) and (4)(jz) to receive drug rebates and other revenues from the BadgerRx Gold program and to respectively, fund Department administrative costs for the program and to fund payments to the third party administrator for anticipated discounts from drug rebates. Specify, that revenues of up to 5% of prescription costs or total administrative costs, whichever is less, could be allocated to s. 20.435(4)(jw) while all remaining revenues would be allocated to s. 20.435(4)(jz).

Finally, include non-statutory provisions that specify that any remaining segregated funds resulting from the BadgerRx Gold surcharges at ETF that remain after covering any GPR deficit for advancing the discounts would transfer from ETF to appropriation s. 40.435(4)(jz) at DHS for covering discounts advanced to the third party administrator.

Desired Effective Date: January 1, 2011
Agency: DHS
Agency Contact: Richard Megan
Phone: 266-9359

I:\osfbudgt\budstaff\2009-11\09-11 stat lang format.doc



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1265/1
RAC&RLR:....

In 12/26/08

jld

DOA:.....Palchik, BB0312 - Transfer BadgerRx Gold Program to DHS

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

TODAY

D-N

heading

AND HUMAN SERVICES

do not gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH

HEALTH

Subheading

Under current law, the Group Insurance Board, attached to DETF, must develop and administer a pharmacy benefits purchasing program that is available for all public and private sector employers in this state, as well as all residents of this state. The program for private sector employers and other residents of this state, developed under contract with Navitus Health Solutions, is called BadgerRx Gold. This bill transfers the BadgerRx Gold program to DHS.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 2 SECTION 1. 40.53 of the statutes is renumbered 146.45, and 146.45 (2) and (3),
3 as renumbered, are amended to read:
4 146.45 (2) The group insurance board department shall develop a purchasing
5 pool for pharmacy benefits that uses a preferred list of covered prescription drugs.

SECTION 1

1 The pool shall consist of ~~the state and~~ any eligible party that satisfies the conditions
2 established under sub. (3) for joining the pool. The ~~group insurance board~~
3 department shall seek to develop the preferred list of covered prescription drugs
4 under an evidence-based analysis that first identifies the relative effectiveness of
5 prescription drugs within therapeutic classes for particular diseases and conditions
6 and next identifies the least costly prescription drugs, including prescription drugs
7 with generic names that are alternatives to prescription drugs with brand names,
8 among those found to be equally effective.

9 (3) The ~~group insurance board~~ department shall propose conditions that an
10 eligible party must satisfy to join the purchasing pool established under sub. (2).

History: 2003 a. 33.

SECTION 9215. Fiscal changes; Employee trust funds.

12 (1) TRANSFER OF CERTAIN MONEYS RELATING TO THE PHARMACY BENEFITS PROGRAM
13 TO THE DEPARTMENT OF HEALTH SERVICES. Beginning on January 1, 2011, and ending
14 before July 1, 2011, the secretary of administration shall transfer from the employee
15 trust fund to the appropriation account under section 20.435 (4) (jz) of the statutes
16 the net proceeds of surcharges received by the department of employee trust funds
17 for the pharmacy benefits program under section 40.53, 2007 stats.

SECTION 94XX. Effective dates; Health services.

19 (1) TRANSFER OF PHARMACY BENEFITS PROGRAM TO THE DEPARTMENT OF HEALTH
20 SERVICES. The treatment of section 40.53 of the statutes takes effect on January 1,
21 2011.
22

(END)

20.435(4) (jw) and
(jz),
letters

and 146.45(4)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

date

LRB-1265/1dn
RAC&RLR:.....

jld

Laurie Palchik:

(CS) I provided that the effective date of the transfer of the BadgerRX Gold program to DHS is January 1, 2011. Please let me know if you would like a different date. Also, please review section 9215 (1) to make certain that I have captured your intent. The administrative and operational details of the BadgerRX Gold program are not in the statutes, especially with respect to rebates, surcharges, and short-term GPR advances that need to be repaid under the program. I simply provided that the "net proceeds" of surcharges received by DETF for the pharmacy benefits program are transferred to the DHS appropriation. Is this language sufficient to accomplish your intent?

Rick A. Champagne
Senior Legislative Attorney
Phone: (608) 266-9930
E-mail: rick.champagne@legis.wisconsin.gov

✓
D-
INSERT RLR note →

2009-2010 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1265/lins
RLR:.....

Ins 1-2

SECTION 1. 20.435 (4) (jw) of the statutes is amended to read:

20.435 (4) (jw) *BadgerCare Plus* and pharmacy benefits purchasing pool
administrative costs. Biennially, the amounts in the schedule to provide a portion
of the state share of administrative costs for the BadgerCare Plus Medical Assistance
program under s. 49.471 and to administer a contract with an entity to operate the
pharmacy benefits purchasing pool under s. 146.45. Ten percent of all moneys
received from penalty assessments under s. 49.471 (9) (c) and all moneys transferred
from the appropriation account under par. (jz) shall be credited to this appropriation
account.

History: 1971 c. 125 ss. 138 to 155, 522 (1); 1971 c. 211, 215, 302, 307, 322; 1973 c. 90, 198, 243; 1973 c. 284 s. 32; 1973 c. 308, 321, 322, 333, 336; 1975 c. 39 ss. 153 to 173, 732 (1), (2); 1975 c. 41 s. 52; 1975 c. 82, 224, 292; 1975 c. 413 s. 18; 1975 c. 422, 423; 1975 c. 430 ss. 1, 2, 80; 1977 c. 29 ss. 236 to 273, 1657 (18); 1977 c. 112; 1977 c. 203 s. 106; 1977 c. 213, 233, 327; 1977 c. 354 s. 101; 1977 c. 359; 1977 c. 418 ss. 129 to 137, 924 (18) (d), 929 (55); 1977 c. 428 s. 115; 1977 c. 447; 1979 c. 32 s. 92 (11); 1979 c. 34, 48; 1979 c. 102 s. 237; 1979 c. 111, 175, 177; 1979 c. 221 ss. 118g to 133, 2202 (20); 1979 c. 238, 300, 331, 361; 1981 c. 20 ss. 301 to 356b, 2202 (20) (b), (d), (g); 1981 c. 93 ss. 3 to 8, 186; 1981 c. 298, 314, 317, 359, 390; 1983 a. 27 ss. 318 to 410, 2202 (20); 1983 a. 192, 199, 245; 1983 a. 333 s. 6; 1983 a. 363, 398, 410, 427; 1983 a. 435 ss. 2, 3, 7; 1983 a. 538; 1985 a. 24, 29, 56, 73, 120, 154, 176, 255, 281, 285, 332; 1987 a. 27, 339, 368, 398, 399, 402; 1987 a. 403 ss. 25, 256; 1987 a. 413; 1989 a. 31, 53; 1989 a. 56 ss. 13, 259; 1989 a. 102; 1989 a. 107 ss. 11, 13, 17 to 37; 1989 a. 120, 122, 173, 199, 202, 318, 336, 359; 1991 a. 6, 39, 189, 269, 275, 290, 315, 322; 1993 a. 16, 27, 76, 98, 99, 168, 183, 377, 437, 445, 446, 450, 469, 479, 490, 491; 1995 a. 27 ss. 806 to 961r, 9126 (19); 1995 a. 77, 98; 1995 a. 216 ss. 26, 27; 1995 a. 266, 276, 289, 303, 404, 417, 440, 448, 464, 468; 1997 a. 27 ss. 211, 214, 216, 217, 527 to 609; 1997 a. 35, 105, 231, 237, 280, 293; 1999 a. 5, 9, 32, 52, 84, 103, 109, 113, 133, 185, 186; 2001 a. 16, 69, 103, 105; 2003 a. 33, 139, 186, 318, 320, 326, 327; 2005 a. 15, 22; 2005 a. 25 ss. 299 to 331, 2498 to 2500, 2510; 2005 a. 74, 107, 199, 228, 264, 388, 406, 434; 2007 a. 20 ss. 331 to 422, 9121 (6) (a); 2007 a. 39, 88, 107, 111, 130; s. 13.92 (2) (i).

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 2. 20.435 (4) (jz) of the statutes is amended to read:

20.435 (4) (jz) *Medical Assistance and Badger Care cost sharing* and, employer
penalty assessments, and pharmacy benefits purchasing pool operations. All moneys
received in cost sharing from medical assistance recipients, including payments
under s. 49.665 (5), all moneys received from penalty assessments under s. 49.665
(7) (b) 2., and 90 percent of all moneys received from penalty assessments under s.
49.471 (9) (c), all moneys received from persons who join the pharmacy benefits
purchasing pool under s. 146.45, and all moneys received as rebates from drug
manufacturers for prescription drugs purchased under the pharmacy benefits

1 purchasing pool under s. 146.45✓ to be used for the Badger Care health care program
2 under s. 49.665 and, for the Medical Assistance program under subch. IV of ch. 49,
3 to pay an entity to operate the pharmacy benefits purchasing pool under s. 146.45✓,
4 and to transfer the amount determined under s. 146.45✓ (4) to the appropriation
5 account under par. (jw)✓.

→ NOTE: BUD ←
History: 1971 c. 125 ss. 138 to 155, 522 (1); 1971 c. 211, 215, 302, 307, 322; 1973 c. 90, 198, 243; 1973 c. 284 s. 32; 1973 c. 308, 321, 322, 333, 336; 1975 c. 39 ss. 153 to 173, 732 (1), (2); 1975 c. 41 s. 52; 1975 c. 82, 224, 292; 1975 c. 413 s. 18; 1975 c. 422, 423; 1975 c. 430 ss. 1, 2, 80; 1977 c. 29 ss. 236 to 273, 1657 (18); 1977 c. 112; 1977 c. 203 s. 106; 1977 c. 213, 233, 327; 1977 c. 354 s. 101; 1977 c. 359; 1977 c. 418 ss. 129 to 137, 924 (18) (d), 929 (55); 1977 c. 428 s. 115; 1977 c. 447; 1979 c. 32 s. 92 (11); 1979 c. 34, 48; 1979 c. 102 s. 237; 1979 c. 111, 175, 177; 1979 c. 221 ss. 118g to 133, 2202 (20); 1979 c. 238, 300, 331, 361; 1981 c. 20 ss. 301 to 356b, 2202 (20) (b), (d), (g); 1981 c. 93 ss. 3 to 8, 186; 1981 c. 298, 314, 317, 359, 390; 1983 a. 27 ss. 318 to 410, 2202 (20); 1983 a. 192, 199, 245; 1983 a. 333 s. 6; 1983 a. 363, 398, 410, 427; 1983 a. 435 ss. 2, 3, 7; 1983 a. 538; 1985 a. 24, 29, 56, 73, 120, 154, 176, 255, 281, 285, 332; 1987 a. 27, 339, 368, 398, 399, 402; 1987 a. 403 ss. 25, 256; 1987 a. 413; 1989 a. 31, 53; 1989 a. 56 ss. 13, 259; 1989 a. 102; 1989 a. 107 ss. 11, 13, 17 to 37; 1989 a. 120, 122, 173, 199, 202, 318, 336, 359; 1991 a. 6, 39, 189, 269, 275, 290, 315, 322; 1993 a. 16, 27, 76, 98, 99, 168, 183, 377, 437, 445, 446, 450, 469, 479, 490, 491; 1995 a. 27 ss. 806 to 961r, 9126 (19); 1995 a. 77, 98; 1995 a. 216 ss. 26, 27; 1995 a. 266, 276, 289, 303, 404, 417, 440, 448, 464, 468; 1997 a. 27 ss. 211, 214, 216, 217, 527 to 609; 1997 a. 35, 105, 231, 237, 280, 293; 1999 a. 5, 9, 32, 52, 84, 103, 109, 113, 133, 185, 186; 2001 a. 16, 69, 103, 105; 2003 a. 33, 139, 186, 318, 320, 326, 327; 2005 a. 15, 22; 2005 a. 25 ss. 299 to 331, 2498 to 2500, 2510; 2005 a. 74, 107, 199, 228, 264, 388, 406, 434; 2007 a. 20 ss. 331 to 422, 9121 (6) (a); 2007 a. 39, 88, 107, 111, 130; s. 13.92 (2) (i).

(end ins)

Ins

2-10

SECTION 3. 146.45 (4) of the statutes is created to read:

146.45 (4) In each fiscal year, there is transferred from the appropriation
account under s. 20.435 (4) (jz) to the appropriation account under s. 20.435 (4) (jw)
an amount, determined by the secretary, that is sufficient for the department to
administer a contract with an entity to operate the purchasing pool established
under sub. (2), but not more than 5 percent of the total amount paid by persons to
purchase prescription drugs as members of the purchasing pool in the fiscal year.

(end ins 2-10)

D-note insert:

The drafting instructions provide that the amount appropriated to DHS to
administer the pharmacy benefits purchasing pool may not exceed 5 percent of
"prescription costs." Please review my description of prescription costs under
proposed 146.45 (4).

5.



Given that the pharmacy benefits purchasing pool will be funded out Medical Assistance appropriations, should the purchasing pool language be moved to ch. 49, or maybe 46, rather than than ch. 146? ✓

ch.

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2
3
4

Robin Ryan
Legislative Attorney
Phone: (608) 261-6927
E-mail: robin.ryan@legis.wisconsin.gov

(end ins)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1265/1dn
RAC&RLR:jld:md

January 6, 2009

Laurie Palchik:

I provided that the effective date of the transfer of the BadgerRX Gold program to DHS is January 1, 2011. Please let me know if you would like a different date. Also, please review SECTION 9215 (1) to make certain that I have captured your intent. The administrative and operational details of the BadgerRX Gold program are not in the statutes, especially with respect to rebates, surcharges, and short-term GPR advances that need to be repaid under the program. I simply provided that the "net proceeds" of surcharges received by DETF for the pharmacy benefits program are transferred to the DHS appropriation. Is this language sufficient to accomplish your intent?

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Given that the pharmacy benefits purchasing pool will be funded out Medical Assistance appropriations, should the purchasing pool language be moved to ch. 49, or maybe ch. 46, rather than than ch. 146?

Robin Ryan
Legislative Attorney
Phone: (608) 261-6927
E-mail: robin.ryan@legis.wisconsin.gov

Champagne, Rick

From: Palchik, Laurie A - DOA [laurie.palchik@wisconsin.gov]
Sent: Monday, January 12, 2009 2:12 PM
To: Champagne, Rick; Ryan, Robin
Subject: FW: LRB Draft: 09-1265/1 Transfer BadgerRx Gold Program to DHS

We would like to add additional language to the current BadgerRx Gold Program draft in section 9215 as stated/underlined in the ETF email below:

Please call me if you have any questions and thank you.

Laurie A. Palchik
Executive Policy and Budget Analyst
Division of Executive Budget and Finance
Department of Administration
608-266-2214 (w); 608-267-0372 (f)

From: Kranz, Jon - ETF [mailto:Jon.Kranz@etf.state.wi.us]
Sent: Monday, January 12, 2009 1:29 PM
To: Palchik, Laurie A - DOA
Subject: RE: LRB Draft: 09-1265/1 Transfer BadgerRx Gold Program to DHS

"The Secretary of ETF shall develop and implement a method to transfer any remaining reserves and assets associated with the program to DHS under s. 20.435(4)(jz)."

We have concerns with the current language in section 9215 as it directs the Secretary of Administration to effect this transfer. Due to the nature of the Public Employee Trust Fund, only the Governing Boards and ETF Secretary should have control over the funds (this has been validated by court decisions and AG opinions).

We are in support of transferring this program and appreciate your efforts.

Jon Kranz

Employee Trust Funds

(608) 267-0908



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1265/12
RAC&RLR:jld:md

RMR

DOA:.....Palchik, BB0312 - Transfer BadgerRx Gold Program to DHS

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

do not gen

1 AN ACT ...; relating to: the budget. ✓

Analysis by the Legislative Reference Bureau
HEALTH AND HUMAN SERVICES

HEALTH

Under current law, the Group Insurance Board, attached to DETF, must develop and administer a pharmacy benefits purchasing program that is available for all public and private sector employers in this state, as well as all residents of this state. The program for private sector employers and other residents of this state, developed under contract with Navitus Health Solutions, is called "BadgerRx Gold." This bill transfers the BadgerRx Gold program to DHS. ✓

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 2 **SECTION 1.** 20.435 (4) (jw) of the statutes is amended to read:
- 3 20.435 (4) (jw) *BadgerCare Plus and pharmacy benefits purchasing pool*
- 4 *administrative costs.* Biennially, the amounts in the schedule to provide a portion

SECTION 1

1 of the state share of administrative costs for the BadgerCare Plus Medical Assistance
2 program under s. 49.471 and to administer a contract with an entity to operate the
3 pharmacy benefits purchasing pool under s. 146.45. Ten percent of all moneys
4 received from penalty assessments under s. 49.471 (9) (c) and all moneys transferred
5 from the appropriation account under par. (jz) shall be credited to this appropriation
6 account.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

7 **SECTION 2.** 20.435 (4) (jz) of the statutes is amended to read:

8 20.435 (4) (jz) *Medical Assistance and Badger Care cost sharing and, employer*
9 *penalty assessments, and pharmacy benefits purchasing pool operations.* All moneys
10 received in cost sharing from medical assistance recipients, including payments
11 under s. 49.665 (5), all moneys received from penalty assessments under s. 49.665
12 (7) (b) 2., and 90 percent of all moneys received from penalty assessments under s.
13 49.471 (9) (c), all moneys received from persons who join the pharmacy benefits
14 purchasing pool under s. 146.45, and all moneys received as rebates from drug
15 manufacturers for prescription drugs purchased under the pharmacy benefits
16 purchasing pool under s. 146.45, to be used for the Badger Care health care program
17 under s. 49.665 and, for the Medical Assistance program under subch. IV of ch. 49,
18 to pay an entity to operate the pharmacy benefits purchasing pool under s. 146.45,
19 and to transfer the amount determined under s. 146.45 (4) to the appropriation
20 account under par. (jw).

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

21 **SECTION 3.** 40.53 of the statutes is renumbered 146.45, and 146.45 (2) and (3),
22 as renumbered, are amended to read:

1 146.45 (2) The ~~group insurance board~~ department shall develop a purchasing
2 pool for pharmacy benefits that uses a preferred list of covered prescription drugs.
3 The pool shall consist of ~~the state and~~ any eligible party that satisfies the conditions
4 established under sub. (3) for joining the pool. The ~~group insurance board~~
5 department shall seek to develop the preferred list of covered prescription drugs
6 under an evidence-based analysis that first identifies the relative effectiveness of
7 prescription drugs within therapeutic classes for particular diseases and conditions
8 and next identifies the least costly prescription drugs, including prescription drugs
9 with generic names that are alternatives to prescription drugs with brand names,
10 among those found to be equally effective.

11 (3) The ~~group insurance board~~ department shall propose conditions that an
12 eligible party must satisfy to join the purchasing pool established under sub. (2).

13 **SECTION 4.** 146.45 (4) of the statutes is created to read:

14 146.45 (4) In each fiscal year, there is transferred from the appropriation
15 account under s. 20.435 (4) (jz) to the appropriation account under s. 20.435 (4) (jw)
16 an amount, determined by the secretary, that is sufficient for the department to
17 administer a contract with an entity to operate the purchasing pool established
18 under sub. (2), but not more than 5 percent of the total amount paid by persons to
19 purchase prescription drugs as members of the purchasing pool in the fiscal year.

20 **SECTION 9215. Fiscal changes; Employee Trust Funds.**

21 (1) [✓]TRANSFER OF CERTAIN MONEYS RELATING TO THE PHARMACY BENEFITS PROGRAM

22 TO THE DEPARTMENT OF HEALTH SERVICES. [✓]Beginning on January 1, 2011, and ending
23 before July 1, 2011, the secretary of administration shall transfer from the employee
24 trust fund to the appropriation account under section 20.435 (4) (jz) of the statutes

Target 3-22 ✓

9
1 the net proceeds of surcharges received by the department of employee trust funds
2 for the pharmacy benefits program under section 40.53, 2007 stats.

3 **SECTION 9422. Effective dates; Health Services.**

4 (1) TRANSFER OF PHARMACY BENEFITS PROGRAM TO THE DEPARTMENT OF HEALTH
5 SERVICES. The treatment of sections 20.435 (4) (jw) and (jz), 40.53, and 146.45 (4) of
6 the statutes takes effect on January 1, 2011.

7 (END)

**2009-2010 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1265/2ins
RAC::

Insert 3-22:

²⁰₄ Before July 1, 2011, the secretary of employee trust funds shall transfer from the employee trust fund to the appropriation account under section 20.435 (4) (jz) of the statutes any remaining moneys related to the pharmacy benefits program under section 40.53, 2007 stats. The secretary shall develop a methodology to determine the amount to be transferred.

Ryan, Robin

From: Palchik, Laurie A - DOA [laurie.palchik@wisconsin.gov]
Sent: Friday, January 23, 2009 10:35 AM
To: Ryan, Robin; Champagne, Rick
Subject: LRB draft-1265/1

One additional change is needed for the Transfer BadgerRx Gold Program to DHS. Michelle would like them to be able to spend some GPR to administrate as follows:

In reference to the Pharmacy Benefits Purchasing Pool – provide allowable expenditures under (4)(a) and (4) (bm).

Just let me know if you have any questions and thank you.

Laurie A. Palchik
Executive Policy and Budget Analyst
Division of Executive Budget and Finance
Department of Administration
608-266-2214 (w); 608-267-0372 (f)

01/23/2009



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1265/2
RAC&RLR:jld:rs

In 1/25/09

RMR

DOA:.....Palchik, BB0312 - Transfer BadgerRx Gold Program to DHS
FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

Don't Gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau
HEALTH AND HUMAN SERVICES

HEALTH

Under current law, the Group Insurance Board, attached to DETF, must develop and administer a pharmacy benefits purchasing program that is available for all public and private sector employers in this state, as well as all residents of this state. The program for private sector employers and other residents of this state, developed under contract with Navitus Health Solutions, is called "BadgerRx Gold." This bill transfers the BadgerRx Gold program to DHS.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 **SECTION 1.** 20.435 (4) (jw) of the statutes is amended to read:

3 20.435 (4) (jw) *BadgerCare Plus and pharmacy benefits purchasing pool*

4 *administrative costs.* Biennially, the amounts in the schedule to provide a portion

TNS
1-1

1 of the state share of administrative costs for the BadgerCare Plus Medical Assistance
2 program under s. 49.471 and to administer a contract with an entity to operate the
3 pharmacy benefits purchasing pool under s. 146.45. Ten percent of all moneys
4 received from penalty assessments under s. 49.471 (9) (c) and all moneys transferred
5 from the appropriation account under par. (jz) shall be credited to this appropriation
6 account.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

7 **SECTION 2.** 20.435 (4) (jz) of the statutes is amended to read:

8 20.435 (4) (jz) *Medical Assistance and Badger Care cost sharing and, employer*
9 *penalty assessments, and pharmacy benefits purchasing pool operations.* All moneys
10 received in cost sharing from medical assistance recipients, including payments
11 under s. 49.665 (5), all moneys received from penalty assessments under s. 49.665
12 (7) (b) 2., and 90 percent of all moneys received from penalty assessments under s.
13 49.471 (9) (c), all moneys received from persons who join the pharmacy benefits
14 purchasing pool under s. 146.45, and all moneys received as rebates from drug
15 manufacturers for prescription drugs purchased under the pharmacy benefits
16 purchasing pool under s. 146.45, to be used for the Badger Care health care program
17 under s. 49.665 and, for the Medical Assistance program under subch. IV of ch. 49,
18 to pay an entity to operate the pharmacy benefits purchasing pool under s. 146.45,
19 and to transfer the amount determined under s. 146.45 (4) to the appropriation
20 account under par. (jw).

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

21 **SECTION 3.** 40.53 of the statutes is renumbered 146.45, and 146.45 (2) and (3),
22 as renumbered, are amended to read:

1 146.45 (2) The ~~group insurance board~~ department shall develop a purchasing
2 pool for pharmacy benefits that uses a preferred list of covered prescription drugs.
3 The pool shall consist of ~~the state and~~ any eligible party that satisfies the conditions
4 established under sub. (3) for joining the pool. The ~~group insurance board~~
5 department shall seek to develop the preferred list of covered prescription drugs
6 under an evidence-based analysis that first identifies the relative effectiveness of
7 prescription drugs within therapeutic classes for particular diseases and conditions
8 and next identifies the least costly prescription drugs, including prescription drugs
9 with generic names that are alternatives to prescription drugs with brand names,
10 among those found to be equally effective.

11 (3) The ~~group insurance board~~ department shall propose conditions that an
12 eligible party must satisfy to join the purchasing pool established under sub. (2).

13 **SECTION 4.** 146.45 (4) of the statutes is created to read:

14 146.45 (4) In each fiscal year, there is transferred from the appropriation
15 account under s. 20.435 (4) (jz) to the appropriation account under s. 20.435 (4) (jw)
16 an amount, determined by the secretary, that is sufficient for the department to
17 administer a contract with an entity to operate the purchasing pool established
18 under sub. (2), but not more than 5 percent of the total amount paid by persons to
19 purchase prescription drugs as members of the purchasing pool in the fiscal year.

20 **SECTION 9215. Fiscal changes; Employee Trust Funds.**

21 (1) TRANSFER OF CERTAIN MONEYS RELATING TO THE PHARMACY BENEFITS PROGRAM
22 TO THE DEPARTMENT OF HEALTH SERVICES. Before July 1, 2011, the secretary of employee
23 trust funds shall transfer from the employee trust fund to the appropriation account
24 under section 20.435 (4) (jz) of the statutes any remaining moneys related to the

1 pharmacy benefits program under section 40.53, 2007 stats. The secretary shall
2 develop a methodology to determine the amount to be transferred.

3 **SECTION 9422. Effective dates; Health Services.**

4 (1) TRANSFER OF PHARMACY BENEFITS PROGRAM TO THE DEPARTMENT OF HEALTH
5 SERVICES. The treatment of sections 20.435 (4) (jw) and (jz), 40.53, and 146.45 (4) of
6 the statutes takes effect on January 1, 2011.

7 (END)

(a), (bm),

2009-2010 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1265/3ins
RLR:.....

Ins 1-1:

SECTION 1. 20.435 (4) (a) of the statutes is amended to read:

20.435 (4) (a) *General program operations.* The amounts in the schedule for general program operations, including health care financing regulation, administration, and field services and medical assistance eligibility determinations under s. 49.45 (2) (a) 3, and administration of the pharmacy benefits purchasing pool under s. 146.45.

History: 1971 c. 125 ss. 138 to 155, 522 (1); 1971 c. 211, 215, 302, 307, 322; 1973 c. 90, 198, 243; 1973 c. 284 s. 32; 1973 c. 308, 321, 322, 333, 336; 1975 c. 39 ss. 153 to 173, 732 (1), (2); 1975 c. 41 s. 52; 1975 c. 82, 224, 292; 1975 c. 413 s. 18; 1975 c. 422, 423; 1975 c. 430 ss. 1, 2, 80; 1977 c. 29 ss. 236 to 273, 1657 (18); 1977 c. 112; 1977 c. 203 s. 106; 1977 c. 213, 233, 327; 1977 c. 354 s. 101; 1977 c. 359; 1977 c. 418 ss. 129 to 137, 924 (18) (d), 929 (55); 1977 c. 428 s. 115; 1977 c. 447; 1979 c. 32 s. 92 (11); 1979 c. 34, 48; 1979 c. 102 s. 237; 1979 c. 111, 175, 177; 1979 c. 221 ss. 118g to 133, 2202 (20); 1979 c. 238, 300, 331, 361; 1981 c. 20 ss. 301 to 356b, 2202 (20) (b), (d), (g); 1981 c. 93 ss. 3 to 8, 186; 1981 c. 298, 314, 317, 359, 390; 1983 a. 27 ss. 318 to 410, 2202 (20); 1983 a. 192, 199, 245; 1983 a. 333 s. 6; 1983 a. 363, 398, 410, 427; 1983 a. 435 ss. 2, 3, 7; 1983 a. 538; 1985 a. 24, 29, 56, 73, 120, 154, 176, 255, 281, 285, 332; 1987 a. 27, 339, 368, 398, 399, 402; 1987 a. 403 ss. 25, 256; 1987 a. 413; 1989 a. 31, 53; 1989 a. 56 ss. 13, 259; 1989 a. 102; 1989 a. 107 ss. 11, 13, 17 to 37; 1989 a. 120, 122, 173, 199, 202, 318, 336, 359; 1991 a. 6, 39, 189, 269, 275, 290, 315, 322; 1993 a. 16, 27, 76, 98, 99, 168, 183, 377, 437, 445, 446, 450, 469, 479, 490, 491; 1995 a. 27 ss. 806 to 961r, 9126 (19); 1995 a. 77, 98; 1995 a. 216 ss. 26, 27; 1995 a. 266, 276, 289, 303, 404, 417, 440, 448, 464, 468; 1997 a. 27 ss. 211, 214, 216, 217, 527 to 609; 1997 a. 35, 105, 231, 237, 280, 293; 1999 a. 5, 9, 32, 52, 84, 103, 109, 113, 133, 185, 186; 2001 a. 16, 69, 103, 105; 2003 a. 33, 139, 186, 318, 320, 326, 327; 2005 a. 15, 22; 2005 a. 25 ss. 299 to 331, 2498 to 2500, 2510; 2005 a. 74, 107, 199, 228, 264, 388, 406, 434; 2007 a. 20 ss. 331 to 422, 9121 (6) (a); 2007 a. 39, 88, 107, 111, 130; s. 13.92 (2) (i).

SECTION 2. 20.435 (4) (bm) of the statutes is amended to read:

20.435 (4) (bm) *Medical Assistance, food stamps, and Badger Care administration; contract costs, insurer reports, and resource centers.* Biennially, the amounts in the schedule to provide a portion of the state share of administrative contract costs for the Medical Assistance program under subch. IV of ch. 49 and the Badger Care health care program under s. 49.665 and, to provide the state share of administrative costs for the food stamp program under s. 49.79, other than payments to counties and tribal governing bodies under s. 49.78 (8), to develop and implement a registry of recipient immunizations, to reimburse 3rd parties for their costs under s. 49.475, for costs associated with outreach activities, to administer the pharmacy benefits purchasing pool under s. 146.45, and for services of resource centers under s. 46.283. No state positions may be funded in the department of health services from this appropriation, except positions for the performance of duties under a contract

- 1 in effect before January 1, 1987, related to the administration of the Medical
2 Assistance program between the subunit of the department primarily responsible for
3 administering the Medical Assistance program and another subunit of the
4 department. Total administrative funding authorized for the program under s.
5 49.665 may not exceed 10% of the amounts budgeted under pars. ~~(be)~~, (p), and (x)
6 [pars. (p) and (x)].

NOTE: NOTE: The correct cross-reference is shown in brackets. Corrective legislation is pending. NOTE:

History: 1971 c. 125 ss. 138 to 155, 522 (1); 1971 c. 211, 215, 302, 307, 322; 1973 c. 90, 198, 243; 1973 c. 284 s. 32; 1973 c. 308, 321, 322, 333, 336; 1975 c. 39 ss. 153 to 173, 732 (1), (2); 1975 c. 41 s. 52; 1975 c. 82, 224, 292; 1975 c. 413 s. 18; 1975 c. 422, 423; 1975 c. 430 ss. 1, 2, 80; 1977 c. 29 ss. 236 to 273, 1657 (18); 1977 c. 112; 1977 c. 203 s. 106; 1977 c. 213, 233, 327; 1977 c. 354 s. 101; 1977 c. 359; 1977 c. 418 ss. 129 to 137, 924 (18) (d), 929 (55); 1977 c. 428 s. 115; 1977 c. 447; 1979 c. 32 s. 92 (11); 1979 c. 34, 48; 1979 c. 102 s. 237; 1979 c. 111, 175, 177; 1979 c. 221 ss. 118g to 133, 2202 (20); 1979 c. 238, 300, 331, 361; 1981 c. 20 ss. 301 to 356b, 2202 (20) (b), (d), (g); 1981 c. 93 ss. 3 to 8, 186; 1981 c. 298, 314, 317, 359, 390; 1983 a. 27 ss. 318 to 410, 2202 (20); 1983 a. 192, 199, 245; 1983 a. 333 s. 6; 1983 a. 363, 398, 410, 427; 1983 a. 435 ss. 2, 3, 7; 1983 a. 538; 1985 a. 24, 29, 56, 73, 120, 154, 176, 255, 281, 285, 332; 1987 a. 27, 339, 368, 398, 399, 402; 1987 a. 403 ss. 25, 256; 1987 a. 413; 1989 a. 31, 53; 1989 a. 56 ss. 13, 259; 1989 a. 102; 1989 a. 107 ss. 11, 13, 17 to 37; 1989 a. 120, 122, 173, 199, 202, 318, 336, 359; 1991 a. 6, 39, 189, 269, 275, 290, 315, 322; 1993 a. 16, 27, 76, 98, 99, 168, 183, 377, 437, 445, 446, 450, 469, 479, 490, 491; 1995 a. 27 ss. 806 to 961r, 9126 (19); 1995 a. 77, 98; 1995 a. 216 ss. 26, 27; 1995 a. 266, 276, 289, 303, 404, 417, 440, 448, 464, 468; 1997 a. 27 ss. 211, 214, 216, 217, 527 to 609; 1997 a. 35, 105, 231, 237, 280, 293; 1999 a. 5, 9, 32, 52, 84, 103, 109, 113, 133, 185, 186; 2001 a. 16, 69, 103, 105; 2003 a. 33, 139, 186, 318, 320, 326, 327; 2005 a. 15, 22; 2005 a. 25 ss. 299 to 331, 2498 to 2500, 2510; 2005 a. 74, 107, 199, 228, 264, 388, 406, 434; 2007 a. 20 ss. 331 to 422, 9121 (6) (a); 2007 a. 39, 88, 107, 111, 130; s. 13.92 (2) (i).



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1265/3

RAC&RLR:jld&kjf:md

DOA:.....Palchik, BB0312 - Transfer BadgerRx Gold Program to DHS
FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

Don't Get

LMP
DN

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

HEALTH

Under current law, the Group Insurance Board, attached to DETF, must develop and administer a pharmacy benefits purchasing program that is available for all public and private sector employers in this state, as well as all residents of this state. The program for private sector employers and other residents of this state, developed under contract with Navitus Health Solutions, is called "BadgerRx Gold." This bill transfers the BadgerRx Gold program to DHS.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 20.435 (4) (a) of the statutes is amended to read:

3 20.435 (4) (a) *General program operations.* The amounts in the schedule for
4 general program operations, including health care financing regulation,

1 administration, and field services and medical assistance eligibility determinations
2 under s. 49.45 (2) (a) 3, and administration of the pharmacy benefits purchasing pool
3 under s. 146.45.

4 **SECTION 2.** 20.435 (4) (bm) of the statutes is amended to read:

5 20.435 (4) (bm) *Medical Assistance, food stamps, and Badger Care*
6 *administration; contract costs, insurer reports, and resource centers.* Biennially, the
7 amounts in the schedule to provide a portion of the state share of administrative
8 contract costs for the Medical Assistance program under subch. IV of ch. 49 and the
9 Badger Care health care program under s. 49.665 and, to provide the state share of
10 administrative costs for the food stamp program under s. 49.79, other than payments
11 to counties and tribal governing bodies under s. 49.78 (8), to develop and implement
12 a registry of recipient immunizations, to reimburse 3rd parties for their costs under
13 s. 49.475, for costs associated with outreach activities, to administer the pharmacy
14 benefits purchasing pool under s. 146.45, and for services of resource centers under
15 s. 46.283. No state positions may be funded in the department of health services from
16 this appropriation, except positions for the performance of duties under a contract
17 in effect before January 1, 1987, related to the administration of the Medical
18 Assistance program between the subunit of the department primarily responsible for
19 administering the Medical Assistance program and another subunit of the
20 department. Total administrative funding authorized for the program under s.
21 49.665 may not exceed 10% of the amounts budgeted under pars. (be), (p), and (x).

22 **SECTION 3.** 20.435 (4) (jw) of the statutes is amended to read:

23 20.435 (4) (jw) *BadgerCare Plus and pharmacy benefits purchasing pool*
24 *administrative costs.* Biennially, the amounts in the schedule to provide a portion
25 of the state share of administrative costs for the BadgerCare Plus Medical Assistance

1 program under s. 49.471 and to administer a contract with an entity to operate the
2 pharmacy benefits purchasing pool under s. 146.45. Ten percent of all moneys
3 received from penalty assessments under s. 49.471 (9) (c) and all moneys transferred
4 from the appropriation account under par. (jz) shall be credited to this appropriation
5 account.

INS
3-5
****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

6 **SECTION 4.** 20.435 (4) (jz) of the statutes is amended to read:

7 20.435 (4) (jz) *Medical Assistance and Badger Care cost sharing and, employer*
8 *penalty assessments, and pharmacy benefits purchasing pool operations.* All moneys
9 received in cost sharing from medical assistance recipients, including payments
10 under s. 49.665 (5), all moneys received from penalty assessments under s. 49.665
11 (7) (b) 2., and 90 percent of all moneys received from penalty assessments under s.
12 49.471 (9) (c), all moneys received from persons who join the pharmacy benefits
13 purchasing pool under s. 146.45, and all moneys received as rebates from drug
14 manufacturers for prescription drugs purchased under the pharmacy benefits
15 purchasing pool under s. 146.45, to be used for the Badger Care health care program
16 under s. 49.665 and, for the Medical Assistance program under subch. IV of ch. 49,
17 to pay an entity to operate the pharmacy benefits purchasing pool under s. 146.45,
18 and to transfer the amount determined under s. 146.45 (4) to the appropriation
19 account under par. (jw).

INS
3-19
****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

20 **SECTION 5.** 40.53 of the statutes is renumbered 146.45, and 146.45 (2) and (3),
21 as renumbered, are amended to read:

1 146.45 (2) The ~~group insurance board~~ department shall develop a purchasing
2 pool for pharmacy benefits that uses a preferred list of covered prescription drugs.
3 The pool shall consist of ~~the state and~~ any eligible party that satisfies the conditions
4 established under sub. (3) for joining the pool. The ~~group insurance board~~
5 department shall seek to develop the preferred list of covered prescription drugs
6 under an evidence-based analysis that first identifies the relative effectiveness of
7 prescription drugs within therapeutic classes for particular diseases and conditions
8 and next identifies the least costly prescription drugs, including prescription drugs
9 with generic names that are alternatives to prescription drugs with brand names,
10 among those found to be equally effective.

11 (3) The ~~group insurance board~~ department shall propose conditions that an
12 eligible party must satisfy to join the purchasing pool established under sub. (2).

13 **SECTION 6.** 146.45 (4) of the statutes is created to read:

14 146.45 (4) In each fiscal year, there is transferred from the appropriation
15 account under s. 20.435 (4) (jz) to the appropriation account under s. 20.435 (4) (jw)
16 an amount, determined by the secretary, that is sufficient for the department to
17 administer a contract with an entity to operate the purchasing pool established
18 under sub. (2), but not more than 5 percent of the total amount paid by persons to
19 purchase prescription drugs as members of the purchasing pool in the fiscal year.

20 **SECTION 9215. Fiscal changes; Employee Trust Funds.**

21 (1) TRANSFER OF CERTAIN MONEYS RELATING TO THE PHARMACY BENEFITS PROGRAM
22 TO THE DEPARTMENT OF HEALTH SERVICES. Before July 1, 2011, the secretary of employee
23 trust funds shall transfer from the employee trust fund to the appropriation account
24 under section 20.435 (4) (jz) of the statutes any remaining moneys related to the

1 pharmacy benefits program under section 40.53, 2007 stats. The secretary shall
2 develop a methodology to determine the amount to be transferred.

3 **SECTION 9422. Effective dates; Health Services.**

4 (1) TRANSFER OF PHARMACY BENEFITS PROGRAM TO THE DEPARTMENT OF HEALTH
5 SERVICES. The treatment of sections 20.435 (4) (a), (bm), (jw), and (jz), 40.53, and
6 146.45 (4) of the statutes takes effect on January 1, 2011.

7 (END)

(by SECTION 11.R.1)

(CS)
(by SECTION 11.R.3)

(CS)
(by SECTION 11.R.2)

**2009-2010 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1265/4ins
RLR:.....

Ins 3-5:

✓ CR AR-1

SECTION 1. 20.435 (4) (bm) of the statutes, as affected by 2009 Wisconsin Act
... (this act), is amended to read:

20.435 (4) (bm) *Medical Assistance, food stamps, and Badger Care administration; contract costs, insurer reports, and resource centers.* Biennially, the amounts in the schedule to provide a portion of the state share of administrative contract costs for the Medical Assistance program under subch. IV of ch. 49 and the Badger Care health care program under s. 49.665 and to provide the state share of administrative costs for the food stamp program under s. 49.79, other than payments to counties and tribal governing bodies under s. 49.78 (8), to develop and implement a registry of recipient immunizations, to reimburse 3rd parties for their costs under s. 49.475, for costs associated with outreach activities, for state administration of state supplemental grants to supplemental security income recipients under s. 49.77, to provide incentive payments to the department of children and families for identifying children with medical assistance coverage who have access to health insurance coverage, to administer the pharmacy benefits purchasing pool under s. 146.45, and for services of resource centers under s. 46.283. No state positions may be funded in the department of health services from this appropriation, except positions for the performance of duties under a contract in effect before January 1, 1987, related to the administration of the Medical Assistance program between the subunit of the department primarily responsible for administering the Medical Assistance program and another subunit of the department. Total administrative

1 funding authorized for the program under s. 49.665 may not exceed 10% of the
2 amounts budgeted under pars. (p) and (x).

***NOTE: This is reconciled s. 20.435 (4) (bm). This SECTION has been affected by
drafts with the following LRB numbers: 0247, 1265, and 1482.

3 **SECTION 2.** 20.435 (4) (jw) of the statutes, as affected by 2009 Wisconsin Act
4 (this act), is amended to read:

5 20.435 (4) (jw) *BadgerCare Plus and pharmacy benefits purchasing pool*
6 *administrative costs.* All moneys received from payment of enrollment fees under the
7 program under s. 49.45 (23), all moneys transferred from the appropriation account
8 under par. (jz), and 10 percent of all moneys received from penalty assessments
9 under s. 49.471 (9) (c), for administration of the program under s. 49.45 (23) and, to
10 provide a portion of the state share of administrative costs for the BadgerCare Plus
11 Medical Assistance program under s. 49.471, and to administer a contract with an
12 entity to operate the pharmacy benefits purchasing pool under s. 146.65.

***NOTE: This is reconciled s. 20.435 (4) (jw). This SECTION has been affected by
drafts with the following LRB numbers: 0368, 1232, and 1265.

13
14
15 **Ins 3-19:**

16 **SECTION 3.** 20.435 (4) (jz) of the statutes, as affected by 2009 Wisconsin Act
17 (this act), is amended to read:

18 20.435 (4) (jz) *Medical Assistance and Badger Care cost sharing and, employer*
19 *penalty assessments, and pharmacy benefits purchasing pool operations.* All moneys
20 received in cost sharing from medical assistance recipients, including payments
21 under s. 49.665 (5), all moneys received from penalty assessments under s. 49.665
22 (7) (b) 2., and 90 percent of all moneys received from penalty assessments under s.

1 49.471 (9) (c), all moneys received from persons who join the pharmacy benefits
 2 purchasing pool under s. 146.45, and all moneys received as rebates from drug
 3 manufacturers for prescription drugs purchased under the pharmacy benefits
 4 purchasing pool under s. 146.45, to be used for the Badger Care health care program
 5 under s. 49.665 and, for the Medical Assistance program under subch. IV of ch. 49,
 6 to pay an entity to operate the pharmacy benefits purchasing pool under s. 146.45,
 7 to transfer the amount determined under s. 146.45 (4) to the appropriation account
 8 under par. (jw), and to transfer any amount credited to this appropriation account
 9 in excess of \$27,785,500 in a fiscal year to the appropriation account under par. (jw).

History: 1971 c. 125 ss. 138 to 155, 522 (1); 1971 c. 211, 215, 302, 307, 322; 1973 c. 90, 198, 243; 1973 c. 284 s. 32; 1973 c. 308, 321, 322, 333, 336; 1975 c. 39 ss. 153 to 173, 732 (1), (2); 1975 c. 41 s. 52; 1975 c. 82, 224, 292; 1975 c. 413 s. 18; 1975 c. 422, 423; 1975 c. 430 ss. 1, 2, 80; 1977 c. 29 ss. 236 to 273, 1657 (18); 1977 c. 112; 1977 c. 203 s. 106; 1977 c. 213, 233, 327; 1977 c. 354 s. 101; 1977 c. 359; 1977 c. 418 ss. 129 to 137, 924 (18) (d), 929 (55); 1977 c. 428 s. 115; 1977 c. 447; 1979 c. 32 s. 92 (11); 1979 c. 34, 48; 1979 c. 102 s. 237; 1979 c. 111, 175, 177; 1979 c. 221 ss. 118g to 133, 2202 (20); 1979 c. 238, 300, 331, 361; 1981 c. 20 ss. 301 to 356b, 2202 (20) (b), (d), (g); 1981 c. 93 ss. 3 to 8, 186; 1981 c. 298, 314, 317, 359, 390; 1983 a. 27 ss. 318 to 410, 2202 (20); 1983 a. 192, 199, 245; 1983 a. 333 s. 6; 1983 a. 363, 398, 410, 427; 1983 a. 435 ss. 2, 3, 7; 1983 a. 538; 1985 a. 24, 29, 56, 73, 120, 154, 176, 255, 281, 285, 332; 1987 a. 27, 339, 368, 398, 399, 402; 1987 a. 403 ss. 25, 256; 1987 a. 413; 1989 a. 31, 53; 1989 a. 56 ss. 13, 259; 1989 a. 102; 1989 a. 107 ss. 11, 13, 17 to 37; 1989 a. 120, 122, 173, 199, 202, 318, 336, 359; 1991 a. 6, 39, 189, 269, 275, 290, 315, 322; 1993 a. 16, 27, 76, 98, 99, 168, 183, 377, 437, 445, 446, 450, 469, 479, 490, 491; 1995 a. 27 ss. 806 to 961r, 9126 (19); 1995 a. 77, 98; 1995 a. 216 ss. 26, 27; 1995 a. 266, 276, 289, 303, 404, 417, 440, 448, 464, 468; 1997 a. 27 ss. 211, 214, 216, 217, 527 to 609; 1997 a. 35, 105, 231, 237, 280, 293; 1999 a. 5, 9, 32, 52, 84, 103, 109, 113, 133, 185, 186; 2001 a. 16, 69, 103, 105; 2003 a. 33, 139, 186, 318, 320, 326, 327; 2005 a. 15, 22; 2005 a. 25 ss. 299 to 331, 2498 to 2500, 2510; 2005 a. 74, 107, 199, 228, 264, 388, 406, 434; 2007 a. 20 ss. 331 to 422, 9121 (6) (a); 2007 a. 39, 88, 107, 111, 130; s. 13.92 (2) (i).

****NOTE: This is reconciled s. 20.435 (4) (jz). This SECTION has been affected by drafts with the following LRB numbers: 1232 and 1265.

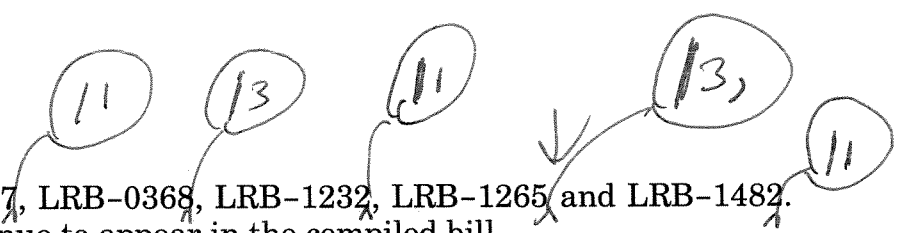
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**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1265/4dn

RLR:...

Date


This draft reconciles LRB-0247, LRB-0368, LRB-1232, LRB-1265 and LRB-1482.
All of these drafts should continue to appear in the compiled bill.

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**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1265/4dn
RLR:kjf:md

January 30, 2009

This draft reconciles LRB-0247/1, LRB-0368/3, LRB-1232/1, LRB-1265/3 and LRB-1482/1. All of these drafts should continue to appear in the compiled bill.

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State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1265/4
RAC&RLR:jld&kjf:md

DOA:.....Palchik, BB0312 - Transfer BadgerRx Gold Program to DHS
FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

HEALTH

Under current law, the Group Insurance Board, attached to DETF, must develop and administer a pharmacy benefits purchasing program that is available for all public and private sector employers in this state, as well as all residents of this state. The program for private sector employers and other residents of this state, developed under contract with Navitus Health Solutions, is called "BadgerRx Gold." This bill transfers the BadgerRx Gold program to DHS.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.435 (4) (a) of the statutes is amended to read:

20.435 (4) (a) *General program operations.* The amounts in the schedule for general program operations, including health care financing regulation,

administration, and field services and medical assistance eligibility determinations under s. 49.45 (2) (a) 3, and administration of the pharmacy benefits purchasing pool under s. 146.45.

SECTION 2. 20.435 (4) (bm) of the statutes, as affected by 2009 Wisconsin Act (this act), is amended to read:

20.435 (4) (bm) *Medical Assistance, food stamps, and Badger Care administration; contract costs, insurer reports, and resource centers.* Biennially, the amounts in the schedule to provide a portion of the state share of administrative contract costs for the Medical Assistance program under subch. IV of ch. 49 and the Badger Care health care program under s. 49.665 and to provide the state share of administrative costs for the food stamp program under s. 49.79, other than payments to counties and tribal governing bodies under s. 49.78 (8), to develop and implement a registry of recipient immunizations, to reimburse 3rd parties for their costs under s. 49.475, for costs associated with outreach activities, for state administration of state supplemental grants to supplemental security income recipients under s. 49.77, to provide incentive payments to the department of children and families for identifying children with medical assistance coverage who have access to health insurance coverage, to administer the pharmacy benefits purchasing pool under s. 146.45, and for services of resource centers under s. 46.283. No state positions may be funded in the department of health services from this appropriation, except positions for the performance of duties under a contract in effect before January 1, 1987, related to the administration of the Medical Assistance program between the subunit of the department primarily responsible for administering the Medical Assistance program and another subunit of the department. Total administrative

funding authorized for the program under s. 49.665 may not exceed 10% of the amounts budgeted under pars. (p) and (x).

***NOTE: This is reconciled s. 20.435 (4) (bm). This SECTION has been affected by drafts with the following LRB numbers: 0247/1, 1265/3, and 1482/1.

SECTION 3. 20.435 (4) (jw) of the statutes, as affected by 2009 Wisconsin Act (this act), is amended to read:

20.435 (4) (jw) *BadgerCare Plus and pharmacy benefits purchasing pool administrative costs.* All moneys received from payment of enrollment fees under the program under s. 49.45 (23), all moneys transferred from the appropriation account under par. (jz), and 10 percent of all moneys received from penalty assessments under s. 49.471 (9) (c), for administration of the program under s. 49.45 (23) and, to provide a portion of the state share of administrative costs for the BadgerCare Plus Medical Assistance program under s. 49.471, and to administer a contract with an entity to operate the pharmacy benefits purchasing pool under s. 146.65.

***NOTE: This is reconciled s. 20.435 (4) jw). This SECTION has been affected by drafts with the following LRB numbers: 0368/3, 1232/1, and 1265/3.

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 4. 20.435 (4) (jz) of the statutes, as affected by 2009 Wisconsin Act (this act), is amended to read:

20.435 (4) (jz) *Medical Assistance and Badger Care cost sharing and, employer penalty assessments, and pharmacy benefits purchasing pool operations.* All moneys received in cost sharing from medical assistance recipients, including payments under s. 49.665 (5), all moneys received from penalty assessments under s. 49.665 (7) (b) 2., and 90 percent of all moneys received from penalty assessments under s. 49.471 (9) (c), all moneys received from persons who join the pharmacy benefits purchasing pool under s. 146.45, and all moneys received as rebates from drug

manufacturers for prescription drugs purchased under the pharmacy benefits purchasing pool under s. 146.45, to be used for the Badger Care health care program under s. 49.665 and, for the Medical Assistance program under subch. IV of ch. 49, to pay an entity to operate the pharmacy benefits purchasing pool under s. 146.45, to transfer the amount determined under s. 146.45 (4) to the appropriation account under par. (jw), and to transfer any amount credited to this appropriation account in excess of \$27,785,500 in a fiscal year to the appropriation account under par. (jw).

***NOTE: This is reconciled s. 20.435 (4) (jz). This SECTION has been affected by drafts with the following LRB numbers: 1232/1 and 1265/3.

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 5. 40.53 of the statutes is renumbered 146.45, and 146.45 (2) and (3), as renumbered, are amended to read:

146.45 (2) The ~~group insurance board~~ department shall develop a purchasing pool for pharmacy benefits that uses a preferred list of covered prescription drugs. The pool shall consist of ~~the state and~~ any eligible party that satisfies the conditions established under sub. (3) for joining the pool. The ~~group insurance board~~ department shall seek to develop the preferred list of covered prescription drugs under an evidence-based analysis that first identifies the relative effectiveness of prescription drugs within therapeutic classes for particular diseases and conditions and next identifies the least costly prescription drugs, including prescription drugs with generic names that are alternatives to prescription drugs with brand names, among those found to be equally effective.

(3) The ~~group insurance board~~ department shall propose conditions that an eligible party must satisfy to join the purchasing pool established under sub. (2).

SECTION 6. 146.45 (4) of the statutes is created to read:

146.45 (4) In each fiscal year, there is transferred from the appropriation account under s. 20.435 (4) (jz) to the appropriation account under s. 20.435 (4) (jw) an amount, determined by the secretary, that is sufficient for the department to administer a contract with an entity to operate the purchasing pool established under sub. (2), but not more than 5 percent of the total amount paid by persons to purchase prescription drugs as members of the purchasing pool in the fiscal year.

SECTION 9215. Fiscal changes; Employee Trust Funds.

(1) TRANSFER OF CERTAIN MONEYS RELATING TO THE PHARMACY BENEFITS PROGRAM TO THE DEPARTMENT OF HEALTH SERVICES. Before July 1, 2011, the secretary of employee trust funds shall transfer from the employee trust fund to the appropriation account under section 20.435 (4) (jz) of the statutes any remaining moneys related to the pharmacy benefits program under section 40.53, 2007 stats. The secretary shall develop a methodology to determine the amount to be transferred.

SECTION 9422. Effective dates; Health Services.

(1) TRANSFER OF PHARMACY BENEFITS PROGRAM TO THE DEPARTMENT OF HEALTH SERVICES. The treatment of sections 20.435 (4) (a), (bm) (by SECTION 2), (jw) (by SECTION 3), and (jz) (by SECTION 4), 40.53, and 146.45 (4) of the statutes takes effect on January 1, 2011.

(END)